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EXAMINER

PARRY, CHRISTOPHER L

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte DAVID H. BESSEL

Appeal 2008-0598
Application 09/826,198
Technology Center 2600

Decided: June 24, 2008

Before JOSEPH F. RUGGIERO, JOHN A. JEFFERY, and KEVIN F.
TURNER, *Administrative Patent Judges*.

JEFFERY, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant appeals under 35 U.S.C. § 134 from the Examiner's rejection of claims 1-27. We have jurisdiction under 35 U.S.C. § 6(b). We reverse.

STATEMENT OF THE CASE

Appellant invented a television signal processing system (e.g., a set-top box and a personal video recorder) that handles both digital and legacy analog signals. Specifically, the analog signals are converted to digital signals and then compressed. The compressed signal can be demultiplexed and recorded, or, alternatively, decompressed and output to a television set. Such a system requires only a single connection between the processing circuitry and the television set, and between the processing circuitry and the recording device.¹ Claim 1 is illustrative:

1. A television signal processing and recording system for handling both digital and analog video signals, said system comprising:

a video decoder in an analog signal path for converting an analog signal to a digital signal;

an encoder for compressing said digital signal output by said video decoder; and

a connection for routing said compressed digital signal into a digital signal path in which said compressed digital signal is selectively either decompressed with a decoder and output to a television set or recorded on a digital data storage device.

The Examiner relies on the following prior art references to show unpatentability:

Krapf	US 6,483,986 B1	Nov. 19, 2002 (filed May 26, 2000)
Geer	US 6,788,882 B1	Sep. 7, 2004 (filed Apr. 17, 1998)
Hicks	US 2004/0261112 A1	Dec. 23, 2004 (filed Dec. 28, 2000)

¹ See generally Spec. ¶¶23-28; Abstract.

1. Claims 1, 5-8, 10, 12, 13, 15, 16, 18-20, and 22-27 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Hicks.
2. Claims 2-4 and 14 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Hicks.
3. Claims 9 and 11 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Hicks and Krapf.
4. Claims 17 and 21 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Hicks and Geer.

Rather than repeat the arguments of Appellant or the Examiner, we refer to the Brief² and the Answer for their respective details. In this decision, we have considered only those arguments actually made by Appellant. Arguments which Appellant could have made but did not make in the Brief have not been considered and are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(vii).

OPINION

The Anticipation Rejection

We first consider the Examiner's anticipation rejection of claims 1, 5-8, 10, 12, 13, 15, 16, 18-20, and 22-27 over the disclosure to Hicks (Ans. 3-7). Anticipation is established only when a single prior art reference discloses, expressly or under the principles of inherency, each and every element of a claimed invention as well as disclosing structure which is capable of performing the recited functional limitations. *RCA Corp. v. App.*

² We refer to the most recent Brief, filed November 22, 2006, throughout this opinion.

Dig. Data Sys., Inc., 730 F.2d 1440, 1444 (Fed. Cir. 1984); *W.L. Gore and Assoc., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1554 (Fed. Cir. 1983).

Appellant does not dispute the Examiner's findings with respect to the content of the Hicks reference. Nor does Appellant dispute the Examiner's findings that Hicks fully meets the claimed invention. Rather, Appellant argues that the Hicks reference has been successfully antedated under 37 C.F.R. § 1.131 by evidencing a date of invention prior to the filing date of the Hicks reference (December 28, 2000) (Br. 6).

First, Appellant contends that the evidence of record establishes an actual reduction practice at least as early as September 22, 2000 as evidenced by an invention disclosure document with that date ("the Disclosure Document") that was "used almost exclusively" to prepare the present application (Br. 6-8).

Alternatively, Appellant argues that the Disclosure Document establishes that Appellant conceived of the invention at least as early as September 22, 2000. Appellant further contends that the evidence of record establishes that Appellant worked diligently toward the filing of the present application on April 4, 2001 (i.e., the constructive reduction to practice) (Br. 8-10).

The Examiner, however, contends that the evidence entered into the record is not sufficient to antedate the Hicks reference. First, the Examiner notes that the declaration submitted on January 19, 2006 was not entered since it was filed after (1) the final Office action was mailed (October 5, 2005), and (2) Appellant's subsequent Notice of Appeal was filed (November 23, 2005). As such, the Examiner indicates, the only evidence present in the record of the present application is as follows:

- (1) Appellant's unsigned declaration under 37 C.F.R. § 1.131 filed June 15, 2005;
- (2) Appellant's attorney's declaration under § 1.132 filed June 15, 2005;
- (3) the Disclosure Document filed June 15, 2005; and
- (4) Appellant's signed declaration under § 1.131 filed July 20, 2005.

Ans. 11-12.

The Examiner further contends that the Disclosure Document does not evidence an actual reduction to practice since there is no evidence that the claimed invention actually existed prior to Hicks' filing date (Ans. 12-13).

Additionally, regarding the claimed invention's constructive reduction to practice, the Examiner asserts that the declaration filed July 20, 2005 is ineffective to overcome the Hicks reference. According to the Examiner, the declaration not only lacks a statement that the invention was conceived and/or reduced to practice in the U.S., a NAFTA country, and/or a WTO country, it also fails to provide facts or evidence proving prior conception of the invention (Ans. 13). The Examiner adds that the record likewise fails to provide facts sufficient to prove diligence apart from certain statements made by Appellant's attorney in the Brief (Ans. 13-14).

The issue before us, then, is whether Appellant has shown that the Examiner erred in finding that the evidence of record fails to establish a date of invention prior to Hicks' filing date (December 28, 2000). For the reasons that follow, we find that Appellant has shown such an error.

Before we address the issue before us in detail, we note key aspects of the prosecution history of the present application as they pertain to the

documents entered in the record on appeal before us. First, we agree with the Examiner's summary of the documents that were submitted before the final rejection was mailed (October 5, 2005) and the Notice of Appeal was filed (November 23, 2005). It is undisputed that these documents (listed as Items (1) through (4) above) have been entered into the record.

Second, we note that the Examiner's refusal to enter the declaration filed January 19, 2006 is a discretionary matter entirely consistent with 37 C.F.R. § 41.33(d)(1). That rule provides that affidavits or other evidence submitted after filing a notice of appeal, but before filing a brief, *may* be admitted *if the Examiner determines* that (1) the affidavits or other evidence overcomes all rejections under appeal, and (2) a showing of good and sufficient reasons why the affidavit or other evidence is necessary and was not earlier presented. 37 C.F.R. 41.33(d)(1) (emphasis added); *see also* Manual of Patent Examining Procedure §§ 1206(II), 1211.04, Rev. 3, Aug. 2005 ("MPEP"). In refusing to enter Appellant's evidentiary submissions filed January 19, 2006, the Examiner apparently determined that at least one of these conditions was not met – a decision whose propriety Appellant could have challenged via petition,³ but did not. In any event, as will be explained *infra*, the fact that the declaration filed January 19, 2006 was not entered does not change our conclusion.

³ *See* MPEP § 715.09 ("Review of an examiner's refusal to enter an affidavit as untimely is by petition and not by appeal to the Board of Patent Appeals and Interferences.").

I. Appellant Has Not Established an Actual Reduction to Practice of the Claimed Invention Prior to December 28, 2000

Based on the record before us, we find that Appellant has not established an actual reduction to practice of the claimed invention prior to December 28, 2000 (i.e., prior to the filing date of the Hicks reference). “Proof of actual reduction to practice requires more than theoretical capability....” Rather, Appellant must show that the apparatus (1) actually existed, and (2) worked for its intended purpose. *In re Asahi/America, Inc.*, 68 F.3d 442, 445 (Fed. Cir. 1995) (citations omitted); *see also* MPEP § 715.07(III). However, “[t]here are some devices so simple that a mere *construction* of them is all that is necessary to constitute reduction to practice.” *Id.* (emphasis added).

Although we find that the content detailed on Pages 4 and 5 of the Disclosure Document is reasonably commensurate with the claimed invention, it hardly evidences an actual reduction to practice, even when considered with other evidence on the record before us. As the Examiner indicates (Ans. 12), there is simply no proof that the claimed invention *actually existed*, let alone that it worked for its intended purpose. At best, the Disclosure Document describes a theoretical capability of the disclosed invention: there is simply nothing on this record to show that Appellant actually *constructed* the disclosed invention or *performed* the disclosed methods, much less that these systems and methods worked for their intended purpose. *See In re Garner*, 508 F.3d 1376, 1380 (Fed. Cir. 2007); *see also Cooper v. Goldfarb*, 240 F.3d 1378, 1382 (Fed. Cir. 2001). Moreover, even if we assume that the claimed invention was sufficiently simple so as to merely require its construction to show a reduction to

practice under *Asahi* (which it is not), Appellant has still failed to show that it was actually constructed or the methods were actually performed.

Indeed, the Disclosure Document itself all but confirms this point. On Page 3, the Disclosure Document in Item 7 indicates that a working model of the invention has *not* been built and tested, nor has appropriate software been written (Disclosure Document 3:9-10 (Item 7)). Moreover, the Disclosure Document indicates in Paragraph 3 that “[t]here is no preferred method of implementation this organization [sic]. Implementations are dependent on other aspects of the system design and the specific components utilized” (Disclosure Document 5:¶ 3). These facts, taken together, hardly evidence that the invention actually existed (i.e., the invention was constructed or the methods actually performed). Rather, they suggest just the opposite.

Although Appellant argues that the construction of the invention *on paper* brings the invention beyond a mere conception and constitutes a reduction of the invention to practice (Br. 6-7), we find this argument unavailing with respect to the record before us. In short, even if certain types of documentary evidence (e.g., photographs) can prove that an invention was constructed, the evidence on this record falls well short of proving such construction.

As we indicated previously, the Disclosure Document describes, at best, a theoretical capability of the disclosed invention. Apart from this document, there is simply nothing on this record to show that Appellant actually *constructed* the disclosed invention or *performed* the recited methods.

Notably, Appellant has provided no photographs of the invention, test results, descriptions of prototypes, etc. that would tend to prove that the invention was constructed (i.e., the invention actually existed in a physical, tangible form). Indeed, it is this type of documentary evidence showing an actual, physical construction of the invention that is needed to prove an actual reduction to practice. *See Wetmore v. Quick*, 536 F.2d 937, 941 (CCPA 1976) (“[A]n actual reduction to practice requires a showing of an embodiment of the invention in a *physical or tangible form* which shows every element of the invention defined in the count, and which demonstrates the utility of the invention.”) (emphasis added); *see also* MPEP §§ 2138.05(II)-(III).

To be sure, certain documentary evidence has been held to be sufficient to show such construction. As the MPEP points out, “[p]hotographs, coupled with articles and a technical report describing the coupling in detail [in *Asahi*] were sufficient to show reduction to practice,” MPEP § 715.07(III) (emphasis added).

Specifically, in *Asahi*, evidence was presented that the claimed coupling was *manufactured* by an outside vendor and described in two trade publications. Two of the three articles included *photographs* of the coupling. Also, the declaration in *Asahi* included a letter from the patent attorney that not only referred to a technical report detailing the system, but also referred to *prototypes* that the attorney received. *Asahi*, 68 F.3d at 446 (emphasis added). The court held that “[t]he *photograph, coupled with the entirety of the 131 declaration*, establishes that the coupling was constructed and therefore reduced to practice....” *Id.* at 447 (emphasis added).

Thus, the court in *Asahi* was convinced that the invention was constructed as evidenced by the photograph of such construction, along with the other submitted evidence pertaining to prototypes and manufacturing of the coupling. But here, we have no evidence of this sort to prove such construction.

Simply put, the Disclosure Document, along with the other submitted evidence on the record before us, falls well short of proving that the claimed invention actually existed in a physical, tangible form prior to December 28, 2000. Therefore, Appellant has not established an actual reduction to practice of the claimed invention prior to December 28, 2000.

II. Appellant Has Established (1) Conception of the Claimed Invention Prior to December 28, 2000; (2) Constructive Reduction to Practice of the Claimed Invention on April 4, 2001; and (3) Reasonable Diligence from the Date of Conception to the Constructive Reduction to Practice

We do, however, find that Appellant has reasonably established (1) conception of the claimed invention prior to December 28, 2000; (2) constructive reduction to practice of the claimed invention on April 4, 2001, and (3) reasonable diligence from the date of conception to the constructive reduction to practice.

First, we find that the Disclosure Document amply evidences conception of the invention as of September 22, 2000. Although the Examiner acknowledges that this document may be relied upon to show conception, the Examiner nonetheless takes the position that the declaration is defective since it lacks a statement that the invention was conceived and/or reduced to practice in the U.S., a NAFTA country, and/or a WTO

country (Ans. 13). According to the Examiner, the declaration also fails to provide facts or evidence proving prior conception of the invention (*Id.*).

It is true that a declaration under § 1.131 may not establish prior invention in any country other than the U.S., a NAFTA country, or a WTO member country. 37 C.F.R. § 1.131(a) (2004). While Appellant's signed § 1.131 declaration filed July 20, 2005 does not explicitly state where the invention was conceived and described, the declaration nonetheless refers to a writing which clearly corresponds to the Disclosure Document -- a document that accompanied the original declarations filed June 15, 2005 from both Appellant (albeit unsigned) and Appellant's attorney. Therefore, the Disclosure Document is, in effect, an attachment to the declaration.

The Disclosure Document on Page 1 is stamped "IPD SAN DIEGO" and "SEP 22 2000." The Disclosure Document also lists "David H. Bessel" as a Sony employee who contributed to the present invention, an individual whose home address is in the state of California. Likewise, the inventor's business address is also in the state of California, specifically San Diego. The Disclosure Document also indicates the following legend at the bottom of the document: "SONY CONFIDENTIAL and PROPRIETARY" (Disclosure Document, at 1). On Page 3, the document is signed by two individuals on September 20, 2000, the first of which appears to be Appellant's signature (*Id.* at 3). On Pages 4 and 5, the invention itself is described in an "Invention Disclosure Data Sheet" which is also signed on September 20, 2000 by the same two individuals on Page 5 (*Id.* at 4-5).

These facts alone suggest that Sony's IPD (presumably the IP Department)⁴ in San Diego, California received the Disclosure Document on September 22, 2000. Therefore, not only do we find that the content of this document evidences conception of the claimed invention (a fact that is undisputed),⁵ it also evidences conception *in this country*, namely the state of California. That is, the declarations and the accompanying Disclosure Document, taken as a whole, clearly evidence conception in this country on September 22, 2000.

Additionally, the present application fully complies with the requirements of 35 U.S.C. § 112, first paragraph, and was based almost exclusively on the Disclosure Document.⁶ As such, we find the filing of the present application in the USPTO on April 4, 2001 constitutes a constructive reduction to practice of the claimed invention. *See Frazer v. Schlegel*, 498 F.3d 1283, 1288 (Fed. Cir. 2007) ("The filing of a patent application is a constructive reduction to practice of the invention disclosed therein.").

The dispositive question before us, then, is whether Appellant has shown reasonable diligence from the date of conception to the constructive

⁴ *See, e.g.*, Br. 9 (referring to the Sony intellectual property department).

⁵ *See Gunter v. Stream*, 573 F.2d 77, 79 (CCPA 1978) (noting Board's definition of conception as "a disclosure of an invention which enables one skilled in the art to reduce the invention to a practical form without 'exercise of the inventive faculty'"); *see also* MPEP § 2138.04.

⁶ *See* Decl. Under 37 C.F.R. § 1.132 (Steven L. Nichols) filed June 10, 2005, at 2 ("The attached document dated September 22, 2000 was submitted to the undersigned who, *based on that document*, prepared and filed the above-identified application in compliance with §§ 35 U.S.C. 101 and 112."); *see also* Br. 8 ("[T]he Disclosure Document was *used almost exclusively* by the undersigned to prepared [sic] the instant patent application which has been held to be an enabling disclosure of the invention.") (emphasis added).

reduction to practice. For the following reasons, we find ample evidence on this record of such reasonable diligence.

The Examiner takes the position that there are insufficient facts evidencing diligence since there have been no declarations or affidavits submitted stating such facts apart from assertions made in the Brief (Ans. 13-14). However, we find the statements made on Page 9 of the Brief are tantamount to factual statements regarding the sequence of events that transpired between September 22, 2000 (conception) and April 4, 2001 (constructive reduction to practice). These statements, considered with the other evidence on the record before us, sufficiently evidence reasonable diligence on the part of both Appellant and Appellant's attorney during this time period.

As Appellant indicates, Appellant prepared the Disclosure Document and submitted it to the Sony intellectual property department on September 22, 2000 (Br. 9). The Disclosure Document was then reviewed in October 2000 along with the many other disclosures generated by inventors at Sony (*Id.*). Upon this review, a decision was made to file a patent application (*Id.*). To this end, a prior art search was requested from a commercial firm on November 9, 2000, and the search results were received December 8, 2000 (*Id.*). Appellant and Sony then reviewed the search results and then decided to proceed with filing the patent application (*Id.*). To this end, on January 24, 2001, Sony provided the Disclosure Document to Appellant's attorney with instructions to prepare the present application. The application was then filed on April 4, 2001 (*Id.*).

We find these facts sufficiently evidence reasonable diligence on the part of both Appellant and Appellant's attorney. Given that Sony is a large,

international corporation whose employees could conceivably generate a large number of invention disclosures to evaluate regarding the merits of filing patent applications, we find the actions on the part of Appellant and his employer reasonably swift. Indeed, there was substantial activity on the part of Appellant and his employer with respect to taking preliminary steps towards filing a patent application based on the Disclosure Document every month between September 2000 and January 2001.

Moreover, we find that by preparing and filing a patent application in just over two months following receipt of the Disclosure Document evidences reasonable diligence on the part of the attorney. *See Bey v. Kollonitsch*, 806 F.2d 1024, 1027 (Fed. Cir. 1986) (noting that reasonable diligence can be shown by establishing that “the attorney worked reasonably hard on the particular application in question during the continuous critical period”). Although we do not know the exact extent of the attorney’s backlog at the time when the present application was prepared and filed, the evidence nonetheless amply shows that the application was expeditiously prepared and filed. We find this expeditious preparation is sufficient to show reasonable diligence on the attorney’s part. *See id.* at 1028.

For the foregoing reasons, we therefore find that Appellant has reasonably established (1) conception of the claimed invention prior to December 28, 2000; (2) constructive reduction to practice of the claimed invention on April 4, 2001; and (3) reasonable diligence from the date of conception to the constructive reduction to practice. As such, Appellant has shown a date of invention prior to December 28, 2000 -- the filing date of the cited Hicks reference. Therefore, Appellant has persuaded us of error in the Examiner’s anticipation rejection relying on Hicks.

The Obviousness Rejections

For similar reasons, we are also persuaded of error in the Examiner's obviousness rejections of (1) claims 2-4 and 14 over Hicks alone; (2) claims 9 and 11 over Hicks and Krapf; and (3) claims 17 and 21 over Hicks and Geer as each of these rejections relies on the antedated Hicks reference. Moreover, the cited secondary references do not cure this deficiency. Therefore, we will not sustain the Examiner's obviousness rejections of claims 2-4, 9, 11, 14, 17, and 21 for similar reasons.

DECISION

We have not sustained the Examiner's rejections with respect to any claims on appeal. Therefore, the Examiner's decision rejecting claims 1-27 is reversed.

Appeal 2008-0598
Application 09/826,198

REVERSED

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